

*Legal Division
X-1
5 March 1948*

Executive for A&M
General Counsel
Designation of Beneficiaries

OGC HAS REVIEWED.

1. In order for beneficiaries to be entitled to death benefits under the Federal Employees' Compensation Act, it is necessary for them to file designations of beneficiaries with the Civil Service Commission. A case decided in the summer of 1947 made such filing a condition of payment. In that case, the agency concerned held the designation for three days, during which period the employee died. The Court's ruling was that settlement could not be made for failure to comply with the provision of law on a filing with the Commission. This case has been appealed three times, and the latest appeal is still pending.

2. To avoid prejudice to the rights of any CIA employee, we should comply strictly with the present interpretation of the law. The practical problem concerns security. This Agency wishes to avoid any arrangement which would make available to unauthorized persons a list of employees of CIA, or even an approximation of the personnel strength of the Agency. Consequently, the designations should not be forwarded to the Commission through our channels.

3. Mr. Warren Irons, who is Chief of the Retirement Section of the Commission, pointed out that the designation does not require identification of the agency for which the employee concerned works and may be forwarded in to the Commission directly by the employee. He suggested that such direct filing of the designations would not in any way prejudice our security. It is recommended, therefore, that the Personnel Division attempt to devise a system whereby all employees will file designations with the Commission without reference to CIA.

4. In order to protect the interests of our designees, we should have either duplicates on file, or a check list to insure that, in the event of death,

the fact of death and the employee's status can be properly brought to the Commission's attention. Special circumstances may arise in connection with certain OSC employees, or others employed under special circumstances, which will require other arrangements. If such circumstances arise during a study of this problem, we shall be glad to assist in working them out in order to protect all employees.

5. We shall continue to follow the Court history of this situation in the event that a possible reversal will give more latitude in the manner of filing designations.

LAWRENCE R. HOUSTON

LRR:mbt